



Board of Directors

May 5, 2020

District Office Building | 799 SW Columbia | Bend, Oregon

To support Governor Brown's recommendation for social distancing, the Board of Directors conducted this meeting by video.

The meeting can be viewed via [Bend Park and Recreation Facebook page](#).

BOARD PRESENT

Ted Schoenborn, Chair
Nathan Hovekamp, Vice Chair
Ariel Méndez
Jason Kropf
Deb Schoen

STAFF PRESENT

Don Horton, Executive Director
Michelle Healy, Deputy Executive Director
Julie Brown, Manager of Communications and Community Relations
Lindsey Lombard, Administrative Services Director
Sheila Reed, Executive Assistant

LEGAL

Paul Taylor, BLJ Attorneys at Law

5:30 p.m. CONVENE MEETING

VISITORS

No visitor comments were submitted for the meeting.

CONSENT AGENDA

1. Meeting Minutes – 04/21/2020

Director Hovekamp asked the board if the following statement from the minutes was reflected accurately:

Mr. O'Connell committed to a follow up conversation with Executive Director Horton to discuss how the district can partner outside of the tax exemption and make the project work for both agencies. The board supports affordable housing and the district working with Wishcamper Development Partners.

Executive Director Horton said that there have been a couple of follow up meetings with the developer and the city on the Wishcamper project. He said the developer is willing to work with the

district to find a way to put a neighborhood park in that area. After meeting with the city and gaining a better understanding of the Murphy Road refinement plan, he said it is better to forego working with the developer because there may be another opportunity with a better location in the refinement plan. The city may be abandoning the urban renewal district in that area because it hasn't met the intent of the plan. Regardless, the city has agreed to work with the district to get a park in that area that would be further north of the affordable housing development.

Director Hovekamp said he was satisfied with the response and made a motion to approve the minutes.

Director Hovekamp made a motion to approve the consent agenda. Director Méndez seconded. The motion passed unanimously, 5-0.

BUSINESS SESSION

1. Authorize Agreements with City of Bend and OSU for Roundabout at Simpson – Don Horton

Executive Director Horton said the district has been working with the city and OSU to develop two roundabouts, one at Columbia and Simpson and the other at Columbia and Colorado. The roundabouts are a condition of future developments to the district and OSU. The partnership is a result of the city's interest in getting them built sooner than required by the district and OSU. The city has proposed that the three agencies partner together and share the costs now to get them built. The district would partner in the building of the Columbia and Simpson roundabout only. The board has already approved \$700,000 in the capital improvement plan (CIP) for the roundabout. The cost for this roundabout is estimated at \$2 million to \$2.5 million, the agreement has been drafted as follows:

If bids come in at:

- \$2.1 million or less, the three agencies will share the cost equally
- \$2.1-\$3 million, the three agencies will work together to figure out how to cover the delta
- If over \$3 million, there would be no obligation by the agencies to keep the agreement

If the agreement is cancelled, the district would be obligated to pay for the roundabout to be built prior to making improvements to the Simpson site.

The city has agreed to be the project managers of the roundabout and the district and OSU would be funding partners. An estimate will be generated early on in the process so the three agencies would know if the agreement will work. The city will manage the construction as well.

OSU is required to participate in the building of both roundabouts, there may be some cost savings by building them at the same time and OSU would like to see it as one project in order to do it now. Mr. Taylor, legal counsel for the district, has worked with the city's legal team to draft the intergovernmental agreement (IGA), the commitment is \$700,000, if the bid comes in higher, this would be brought back to the board for approval of additional funding.

Director Hovekamp made a motion to authorize the Executive Director to negotiate and execute an intergovernmental agreement with the city of Bend and Oregon State University – Cascades for the development of the Simpson/Columbia roundabout, and a separate agreement with the City of Bend to address future transportation mitigation requirements on the district’s property. Director Méndez seconded. The motion passed unanimously, 5-0

- 2. Resolution No. 2020-06, adopting a Revised System Development Charge (SDC) Fee Schedule effective July 1, 2020 – *Lindsey Lombard*

Ms. Lombard reminded the board that last year the board approved a new SDC methodology and capital project list that the SDC methodology would fund. The methodology includes a formula for recalculating and adjusting fees on an annual basis. The adjustments are proportionately indexed to:

- The cost of land as determined by changes in Real Market Value (RMV) as reported by the Deschutes County Assessor’s Office.
- The Engineers News Record (ENR) US 20–City Average Construction Cost Index

She explained that the cost of land impacts the district’s ability to use SDC funds to build parks because the district must purchase the land because it is not dedicated like it is with other agencies.

Ms. Lombard reviewed the SDC Adjustment Factor Calculation, Fiscal Year 2020-21 document in the board packet. She explained the downside of using this tool is that there is a significant time lag in the reporting of the information. She said property taxes come out in November to tax payers, the assessed value of the properties is determined January 1 of that year. The district uses this information for a change on July 1 the next year, resulting in information that is a year and a half old already; this causes the district to be little bit behind in increasing or decreasing the SDC fees. The change in construction costs has a six-month lag in determining fees. Land value has increased 9.57% and construction costs have increased 1.74%. She added that the calculation for the fee should be a percentage of the adjustments to both of these increases. The CIP list has not changed since adopted and for 23% of the budget is allocated to purchase land and 77% is allocated for the cost of construction. The following is the formula for adjusting the SDC fees:

To adjust the cost based upon the index percentages in the 2019 SDC Methodology:

<u>Construction</u>	+	<u>Land Value</u>	=	<u>Adjustment Factor</u>
77% x 1.74%	+	23% x 9.57%	=	3.54%
0.0134	+	0.0220	=	0.0354

Executive Director Horton said he called other agencies in town to see if they were adjusting their SDC fees, the city can make changes twice a year and will adjust in July, the county will be meeting about this later in May to make their determination.

The board asked why the adjustment is made so long after the rates are provided and whether that could be adjusted. Ms. Lombard responded that the district has only implemented new SDC fees at the start of the fiscal year; this has been at the request of the city and county that collect the SDC fees for the district. The timing also helps the district to budget and project for spending. She added that the methodology does state that the board can make changes by resolution. Executive Director

Horton said that the city does a fee schedule for the various fees that they charge and publish it at the beginning of the fiscal year. Adjusting prior to the fiscal year accommodates for the timing of the publication. Builders also plan around this schedule.

The board expressed concerns about the timing this year with the closures and there was a request to delay this to June 2. Ms. Lombard replied that the budget meetings will have already happened by June 2 and this information is needed to create the budget and the project list would also have to be reduced if this isn't passed tonight. Executive Director Horton reminded the board that the SDC fees are the majority of the revenue collected for the CIP. Other agencies have broader means to collect revenue, when the district waives an SDC fee, there are no other funding mechanisms to fill that gap. The board discussed the idea of postponing this vote tonight in hopes of getting a more accurate picture of the economy. Director Kropf said he was uncomfortable voting on this today and would like to push the topic out into June. He would like to see if there is more updated information before raising the SDC fees. Director Schoenborn encouraged the board to approve the resolution in order to pass a meaningful budget with consistent and known revenue.

Ms. Lombard added that all the information that she is getting now is that building has not yet slowed and real estate is still a sellers' market. She said the only new information that could be gathered before June 2 would be an update on construction costs published at the end of March. Executive Director Horton said that the district has not seen construction costs go down in bids or change orders. The cost of construction and land rise at a faster rate than the district fees. He continued to say that when the methodology is revised the district is usually playing catch-up. Ms. Lombard let the board know that the fees can be adjusted down if the figures go down due to the economy. Executive Director Horton said the city adjusts twice a year and the district could consider following this guideline and adjusting fees closer to the release of the information.

Director Hovekamp mentioned his concern about a lack of policy guidance or overall view of the cumulative impact that affordable housing waivers and tax abatements have on the district. He said these projects are done with the right intentions, but have an impact on services in the district and would like to look at them systematically and cumulatively. SDCs are a way for growth to pay for the impacts of the growing community and spreads the burden between existing and new residents.

Overall the board concluded that it is important to have this information to create the budget for further review and the board chair asked for a motion.

Director Schoen made a motion to adopt Resolution No. 2020-06, Adopting a Fee Schedule for System Development Charges effective July 1, 2020. Director Hovekamp seconded. The motion passed, 4-1. Director Kropf voted against the motion.

3. Resolution 2020-05 Consideration for Extension – Don Horton

Executive Director Horton said the extension date reflects the date of the first board meeting of the fiscal year.

Director Schoen a motion to extend the expiration date of Resolution 2020-05 until July 7, 2020. Director Hovekamp seconded. The motion passed unanimously, *4-0.

*Due to a power outage, Director Méndez was not able to reconnect to the meeting in order to vote.

EXECUTIVE DIRECTOR'S REPORT and COVID-19 Update

- ORPA reopening plan: The district has been instrumental in creating this plan that has been sent to the Governor's office for review. Staff is taking this plan and creating a district wide plan for reopening facilities and programs. The district plan will be based on the Governor's recommendations. The Governor has suggested small group sizing that creates challenges for camps and facilities. The next phase could allow groups as high as 50, which helps the programming, but makes social distancing more difficult. Courts and skateparks may open earlier and in phase 1. Staff will need to educate users of facilities and programs and encourage social distancing. Events will be the last piece to open up and likely will not happen this summer. The pet parade and July 4 events are likely to be cancelled. Most events are being cancelled by the organizers and not by the district. The NRPA conference has been cancelled. ORPA is looking at other options for their fall conference.
- There was a discussion about river concessions and how to balance the safety elements that are offered through the rental service and the safety of social distancing on the river. Executive Director Horton said he still needs to speak with public safety officials on how to manage the river recreation collectively, he has spoken to the Marine Board executive director and will talk with the river concessionaire.
- Director Méndez asked if it is possible to look at providing low-cost masks for patrons in programs and encourage people to wear them. Director Horton said staff is looking at operational plans for each program and can consider the suggestion if masks are appropriate. He said staff with close contact to the public may be required to wear masks and all staff will be encouraged to wear them. Plexiglass panels may be put up to separate staff from the public in certain places as well.
- State Parks has decided to open some areas in the state.

PROJECT REPORT – In Board Report

BOARD MEETINGS CALENDAR REVIEW

GOOD OF THE ORDER

- Director Hovekamp asked if the Executive Director evaluation process has begun. Director Schoenborn said he has not started this process. He will get the self-evaluation from Don and follow the process that the board chair used last year.
- Director Hovekamp asked if contingency planning is happening for the next fiscal year budget due to the impact of the pandemic and wondered if the budget committee might see some options at the upcoming meetings in May. Ms. Lombard replied that the budget has been created with a significantly higher amount in the contingency budget of the general fund to cover the district if revenue doesn't come in as expected. A COVID-19 impact document has been created and budgets have been cut to protect the organization and cover the services that are provided. Larkspur will be complete in September, the financial impacts of opening a new facility will be presented at the meeting as well. Additional cuts to the budget were made to allow for the opening of Larkspur.
- Director Méndez reiterated that SDCs are not the reason that building in Bend is not affordable. He would like to look at SDCs a little differently and hopes to talk about it sooner than later.
- Director Schoen said she liked the video that Director Méndez put together that is now on Facebook.

ADJOURN 7:16pm

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Prepared by,
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Executive Assistant

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Ted Schoenborn, Chair

Nathan R Hovekamp
Nathan Hovekamp, Vice-Chair

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